STATE CAPITOL P.O. BOX 942849 SACRAMENTO, CA 94249-0033 (R16) 319-2033 FAX (916) 319-2133 Assembly California Legislature

DISTRICT OFFICE 1104 PALM STREET SAN LUIS OBISPO, CA 99401 (805) 549-3391 FAX (805) 549-3400



SAM BLAKESLEE
ASSEMBLYMEMBER, THIRTY-THIRD DISTRICT

October 25, 2006

Mr. Sam Schuchat, Executive Officer State Coastal Conservancy 1330 Broadway, Suite 1300 Oakland, Calif. 94612

Dear Mr. Schuchat,

I would like to communicate to your board my support of the recent grant request from the City of Morro Bay to provide funding for the local fishing industry. The grant would provide funding for preparation of a business plan, preparation of a marketing plan, and dollars to conduct sea trials on low impact fishing year.

Recently, the fishing industry on the Contral Coast has suffered financially due to the changes in state and federal regulations. The demise of the fishing industry in the Morro Bay area will have a significant economic impact on the entire area. Many businesses in Morro Bay depend on the tourism dollars brought in by the fishing industry.

Providing funding to test new and innovative ways to revitalize the fishing industry and the necessary infrastructure to support it would be very beneficial to the economic health of the entire community.

I urge your board to grant the City of Morro Bay the full \$130,000 they are requesting to provide the local fishermen an avenue to revitalize their industry, while inviting improvements to the county's two harbors.

Thank you for your consideration.

blyman Sam Blakeslee

33rd District

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ENVIRONMENTAL DEFENSE

finding the ways that work

Sam Schuchat, Executive Officer State Coastal Conservancy 1330 Broadway, Suite 1100 Oakland, CA 94612

October 20, 2006

Dear Mr. Schuchat:

We are writing to strongly support the proposal "CONSERVING THE WORKING WATERFRONT AND OCEAN HABITATS THE MORRO BAY AND PORT SAN LUIS HARBORS" that has been submitted to the Coastal Conservancy.

This project represents a unique opportunity for environmentalists, fishermen, and coastal community leaders to work together to solve the serious and urgent problems facing fisheries in Morro Bay. It will also serve as a model for how to protect ocean habitats, fishing heritage, and coastal communities for other ports that have become fragile as a result of increasing property values, changing demographics, increasingly stringent fishery regulations, and other factors. In addition, the project is part of an overall strategy to comprehensively improve the state's fisheries by demonstrating success in three pilot fisheries and by positioning these fisheries for financing by the proposed California Fisheries Fund. The Coastal Conservancy was instrumental in developing this concept by providing seed funding and guidance.

Prior work by the project proponents has addressed one critical need for saving the fishing heritage and ocean habitats off Morro Bay and Port San Luis – the creation of large no-trawl zones. The proposed work is necessary to address the other needs and to make the conservation gains represented by the no-trawl zones sustainable:

- Regulatory change we will work together to secure policy changes by the Pacific Fishery Management Council that
 will allow local fishermen to use fishing gear to access healthy fish stocks with minimal waste (bycatch) and habitat
 damage. Right now, The Nature Conservancy is unable to lease the trawl permits it has acquired to fishermen who want
 to fish sustainably using hook/line or pot gear.
- 2. Develop new gear and fishing methods to reduce waste and habitat damage some stocks in this area such as English and Dover sole cannot be caught with hooks or pots. We will conduct a sea trial of a new type of net that is intended to target these species without the use of heavy trawl doors or rollers that damage the bottom.
- 3. Business planning and marketing we will solve the "chicken-and-egg" problem besetting many California fisheries, wherein seafood buyers are unwilling to commit to contracts because they are unsure of the supply of sustainable fish and harvesters are unwilling to commit to catch the fish because they are unsure of the market. The public relations and marketing efforts proposed in this project should increase demand for fish caught sustainably in these waters, and business planning should help match supply to markets. The business plan should also position local fishermen or a cooperative for financing by the California Fisheries Fund (if it is implemented) or by other financing sources for further business development, the creation of value-added products, and/or necessary improvements to port infrastructure.

The project addresses the real needs of California fisheries as we enter a new era of fisheries conservation and managent: regulatory reform, new ways to catch fish sustainably, and new markets for these fish. Perhaps even more importantly, the partners have developed sufficient trust to work together through several other collaborative successes, such as a forum on fishery issues (co-sponsored by the City of Morro Bay, the Port of San Luis, and Environmental Defense) and joint comments to the Ocean Protection Council on fishery issues. This good working relationship, which extends to fishermen in the area, will be the key to success.

Sincerely

Rod Fujita, Ph.D

Schior Scientist, Environmental Defense

Exhibit 2: Letters of Support

Marine Interests Group San Luis Obispo County

Working Committee

Dan Berman
Dir., Morro Bay National Estuary Program
Shirley Bianchi
SLO County Supervisor
Tom Capen
Port San Luis Comm. Fishermen's Assn.
Ray Fields
Aquaculture
Matt Flemina

Chair, SLO Surfrider Foundation
Bob Hather
recreational fishing
Pam Heatherington
Exec. Dir., Environmental Center SLO

Tom Jones
Pacific Gas & Electric
Leslie Krinsk
at large, Sierra Club
Carolyn Moffatt
Commissioner, Port San Luis Harbor Dist.
Marla Morrissey
conservation

Jeremiah O'Brien

MB. Commercial Fishermen's Organization
Janice Peters
Mayor, City of Morro Bay
Henry Pontarelli
Morro Coast Audubon Society
John Rowley
Virg's Fishing & Whale Watching
Dave Rymal
sport fishing
Dave Sears
at large, ret'd California State Parks

at large, ret'd California State Parks
Margaret Webb
MBNMS Advisory Council
Dean Wendt, Ph.D.
Assoc. Prof., Cal Poly State University
Patricia Wilmore
SLO Chamber of Commerce

Web site: www.mbnep.org/mig

Don Maruska Independent facilitator Phone: 805-772-4667 Fax: 805-772-4697 Email: don@donmaruska.com October 12, 2006

Sam Schuchat, Executive Director State Coastal Conservancy 1330 Broadway, Suite 1100 Oakland, CA 94612

RE: Support for Proposal on Transitioning Fishing Businesses in San Luis Obispo County to Sustainable Fishing Methods

Dear Sam:

At its meeting on October 12, 2006, the Marine Interests Group of San Luis Obispo County reviewed and unanimously supported the proposal "Transitioning Fishing Businesses in San Luis Obispo County to Sustainable Fishing Methods to Conserve the Working Waterfronts of Morro Bay and Port San Luis Harbors and Their Offshore Ocean Habitats."

MIG members underscored the value of the collaborative work to enhance environmental protection and support the fishing businesses that are important to the economic health and vitality of the region. The proposed project furthers one of the key objectives of the MIG, which is to support local, wild seafood through fishing that is sustainable and environmentally responsible.

MIG members strongly urge the Coastal Conservancy to fund this project and look forward to supporting its successful implementation.

Sincerely yours,

OCT 1 6 2006

COASTAL CONSERVANCY OAKLAND, CALIF.

Independent facilitator, on behalf of the

Marine Interests Group of San Luis Obispo County

From-SENATOR ABEL MALDONADO

805 549 3779

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STATE CAPITOL SACRAMENTO, CA 93814 (916) 651-4015 (916) 445-8081 FAX



California State Senate

ABEL MALDONADO

FIFTEENTH SENATE DISTRICT

October 23, 2006

Sam Schuchat, Executive Officer State Coastal Conservancy 1330 Broadway, Suite 1300 Oakland, CA 94612

Dear Mr. Schuchat:

I am writing to express my support for the City of Morro Bay grant request to the State Coastal Conservancy for \$130,000 to prepare a business plan, develop and implement a marketing plan, and build and conduct sea trials of innovative low-impact fishing gear to support the commercial fishing industry of the Morro Bay and Port San Luis Harbors located in San Luis Obispo County and the 15th Senate District.

I understand that such an effort would be consistent with the state's goal to transition the commercial fishing industry from high volume/low value fisheries to higher value/low volume fisheries. If successful, this effort would serve to build consensus support for a federal and state gear-switching agreement, and thereby enable local fishermen to secure from the state and federal governments permits to allow trawlers to switch their catch history to more selective gear types and modified low-impact trawling gear. The end result would be more fishing boats back in the water operating under strict guidelines catching high value fish in a more sustainable manner with less impact on fishery populations and their habitats.

I urge you to give every possible consideration to supporting this request for funding this important project. If I can provide any additional information to assist you in your decision, please let me know.

ABEL MALDONADO
Senator, 15th District

Exhibit 2: Letters of Support 10/31/2006 TUE 17:26 FAX 805 544 2209 TNC SLO COUNTY PROJECT



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nature.org/california

Sam Schuchat, Executive Officer State Coastal Conservancy 1330 Broadway, Suite 1100 Oakland, CA 94612

October 31, 2006

Dear Mr. Schuchat:

The Nature Conservancy submits this letter to you in strong support for the proposal "Conserving the Working Waterfront and Ocean Habitats, the Morro Bay and Port San Luis Harbors."

As you know, the Conservancy recently purchased six federal trawling permits and four trawling vessels from commercial fishermen in Morro Bay as part of a collaborative effort to protect a vast swath of marine habitat off the coast of central California and to help reform this troubled fishery. This project, known as the "Sustainable Groundfish Plan," was developed around the findings of the National Academy of Sciences which identifies bottom trawling as the biggest threat to continental shelf and slope marine habitats. The Academy's recommended course of action to manage the effects of bottom trawling, which have been incorporated in this project, is for the 1) reduction of fishing effort, 2) modification of gear, and 3) establishment of closed areas to bottom trawling.

The permit acquisitions and negotiated no-trawl areas represent big steps towards the reduction of marine habitat damage caused by traditional trawling. Now much of our focus is on collaborating with all stakeholders to create sustainable fishing opportunities through the lease back of the acquired permits with modified gear restrictions.

Environmental Defense and The Nature Conservancy are now working to secure regulatory changes by the Pacific Fishery Management Council that could allow local fishermen to lease these permits and utilize alternative fishing gear to access healthy fish stocks with minimal waste (bycatch) and habitat damage. This exciting work would give the Conservancy the authority to lease "trip limits" to fishermen who want to fish sustainably using hook/line or pot gear. Unfortunately, the established protocol for completing such a rule change will require anywhere from 3 to 6 Council meetings to reach this goal.

The "Conserving the Working Waterfront and Ocean Habitats" project will provide more near-term business opportunities in sustainable fishing for these local communities. This project would provide the funding to design a "low impact" trawl net that could be utilized in the first lease-back opportunity for local fishermen. This concept would allow a fisherman to access certain fish stocks, such as Petrale and Dover sole that cannot be

S. Schuchat 10/31/06 Page 2

caught with hooks or pots. It is also the intention of the new design to more specifically target species, limit bycatch and reduce damage to sea floor through the use of lighter and smaller equipment that cannot be deployed in sensitive rocky habitats. Furthermore, the Conservancy has the ability to immediately lease back its permit under this alternative trawl design without further approvals from the Pacific Fishery Management Council.

The proposed project will also give the communities of Morro Bay and Port San Luis the chance to begin business and marketing planning that can increase demand for fish caught sustainably in these areas. The business plan should also position local fishermen or a cooperative for financing by the California Fisheries Fund (if it is implemented) or by other financing sources for further business development, the creation of value-added products, and/or necessary improvements to port infrastructure.

California is struggling to address the pressing issues facing our fisheries such as inefficient regulation and policy, depleted fish stocks, and the resulting potential loss of fishing-based economies and heritage. This project is part of a new era of conservation solutions that aims to establish sustainable fisheries while investing in new markets that will support its products. It also represents a unique collaboration of conservationists, fishermen, and coastal community leaders working together to present real solutions to the challenges facing these local fisheries.

The Nature Conservancy fully supports this project and we look forward to continuing our work with the California Coastal Conservancy towards the worthy goal of more sustainable and economically-viable fisheries for Morro Bay and Port San Luis.

Sincerely,

Michael Bell

Project Director, The Nature Conservancy

Exhibit 2: Letters of Support

BOARD OF COMMISSIONERS

CAROLYN MOFFATT JIM BLECHA JACK SCARBROUGH JOHN KOEPF BRIAN KREOWSKI

President Vice President Secretary Commissioner Commissioner



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THOMAS D. GREEN PHILLIP J. SEXTON, CPA

Legal Counsel Treasurer

October 16, 2006

TIM DUFF

Sam Schuchat, Executive Officer State Coastal Conservancy 1330 Broadway, Suite 1300 Oakland, CA 94612

Re: SUPPORT FOR COMMERCIAL FISHING GRANT

Dear Mr. Schuchat.

Port San Luis Harbor District requests that you fund the grant to test low impact gear usage, conduct a new marketing campaign, and fund long range planning for commercial fishing.

TESTING LOW IMPACT GEAR

The commercial fishing industry in San Luis Obispo County has been extremely hard hit economically as a result of dramatic changes in government regulations and market forces. Increased competition from abroad and new regulations at home, including notrawl fishing zones in the region that today total nearly 4 million acres, together with the forthcoming creation of marine protected areas in the Central Coast, have combined to threaten the future viability of the region's fishing industry.

Your grant would allow commercial fishermen to test new and innovative low impact fishing gear that, if successful, would enable them to once again target high value ground fish that have been off limits to the traditional trawl boats.

If successful, this effort would serve to build consensus support for a federal and state gear-switching agreement, and thereby enable local fishermen to secure from the state and federal governments permits to allow trawlers to switch their catch history to more selective gear types and modified low-impact trawling gear.

The end result would be more fishing boats back in the water operating under strict guidelines catching high value fish in a more sustainable manner with less impact on fishery populations and their habitats.

Exhibit 2: Letters of Support

NEW MARKETING CAMPAIGN

Your grant would allow a new marketing campaign which would be launched in early 2007 to promote locally-caught fish to high-value markets with a focus on environmentally-friendly fishing methods. Such an effort would be consistent with the state's goal to transition the industry from high volume/low value fisheries to higher value/low volume fisheries.

Identifying a demand in larger markets could trigger a need in San Luis Obispo County for new fish-cutting services and facilities, dry storage, freezer/refrigeration space, and improved truck access to local waterfronts.

LONG RANGE PLANNING

Your grant would allow a long range plan to secure future investments in fishing infrastructure improvements.

The plan would confirm appropriate fishing gear changes that would be needed, and evaluate prospects for agreements with seafood brokers and buyers.

Business operations would thus be based on realistic assessment of assets and sound planning rather than opportunistic sales of whatever fish is landed.

This grant is consistent with your Agency's mission and would fund much needed studies of low impact gear usage.

I urge you to support this grant and the three outcomes it will achieve.

If you have any questions, please do not hesitate to contact me at kirks@portsanluis.com

Sincerely,

Kirk Sturm

Harbor Manager

KS: lp

cc: Rick Algert, Morro Bay Harbor Department

Tom Capen, Port San Luis Commercial Fishermen's Association

OCT 2 3 2006

COASTAL CONSERVANCY OAKLAND, CALIF.